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Connecticut Council of Small Towns  
Before the Transportation Committee  
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**RE: HB-5055 - AN ACT DECREASING WAIT TIMES AT THE DEPARTMENT OF MOTOR VEHICLES.**

The Connecticut Council of Small Towns (COST) opposes Sections 7 and 8 of the bill which eliminate the ban on the processing of registrations if an individual or business has neglected to pay their motor vehicle property taxes or tickets.

HB-5055 eliminates a very effective tool in collecting unpaid property taxes and fines, which will result in sizable revenue losses for towns and cities throughout Connecticut. Tax collectors have estimated that repealing these provisions will result in a 5% drop in car tax revenues in the first year alone. This would have a huge impact on revenues for small towns, as the following estimates of lost revenues indicate:

- Barkhamsted - \$47,349.69
- Durham - \$118,554
- Putnam - \$66,000.00

Small towns have very tight budgets and the loss of these revenues will have a big impact. Unfortunately, without the leverage of the registration renewal processing, the percentage of uncollectible taxes is expected to increase over time, shifting more of the burden of providing local services onto the backs of other property taxpayers.

This process has been on the books since 1949 and should not be blamed for the recent extended wait times at the Department of Motor Vehicles. When individuals receive their registrations, the registration form clearly indicates that a renewal will not be processed unless property taxes and tickets are up to date.

If you go online to renew your registration, the website includes a notice in red that "All transactions will be subject to compliance (i.e. property tax, insurance, emissions, etc.) and fine check prior to renewal. In fact, individuals and businesses can check to see if there are any outstanding payments or fines with a few clicks of the mouse. DMV is not *collecting* the unpaid taxes, it is simply not processing registrations if individuals and businesses are not current on their obligation to pay their taxes and fines as well as comply with insurance and emission requirements.

COST urges lawmakers to maintain the current system by deleting Sections 7 and 8 from the bill.